

28 April 2017

ASX Market Announcement
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

APPENDIX 4C QUARTERLY REPORT AND COMPANY UPDATE

N1 Holdings Limited (ASX: N1H) ("**N1**" or the "**Company**") is pleased to present this Appendix 4C quarterly report and update on its activities for the period 1 January to 31 March 2017.

Highlights

- Steady increase of business during the quarter.
 - o N1 Realty's total number of properties under management increased to 208 (compared to 196 on 31 December 2016) with annualised total rental value estimated at \$7.47m (equivalent to approximately **\$470**k per annum in rental management revenue).
 - o N1 Loan's total loan book increased to \$795m.
 - o Off-the-plan sales via N1 Projects has expected commission revenue of approximately \$280k.
- Strong revenue growth during the quarter. The Company generated cash receipts of \$3.098m over the first 9 months of FY2017, compared to full FY2016 cash receipts of \$3.113m.
- The Company's Employee Incentive Plan has successfully been rolled out to with 4,791,250 options issued to employees in each of the Company's divisions at an exercise price of \$0.20 per option.
- The Company has continued to expand its sales team with a number of high quality hires during the quarter.

Company activities update

N1 continues to achieve revenue growth across multiple business divisions and has made significant progress in its "growth via diversification" strategy. The Company's management believes that it has further strengthened N1's market position as a leading full service, "one stop shop" solution in the financial, property and migration services categories.

Property management revenue and loan book trail income has experienced strong growth. Both of these business divisions produce recurring revenue and are strong cash flow generators. N1 aims to continue to grow these divisions and obtain further benefits from economies of scale.

Also worthy of note is that, by the end of the March 2017 quarter, N1 had attained cash receipts equivalent to its last full financial year. This demonstrates N1's consistent growth. N1 intends to continue to reinvest cash receipts to expand its sales team and to grow its market share, with the goal of becoming a leading provider of property and financial services. N1 will also seek to grow through the continued acquisition of synergistic businesses.

N1 has continued to grow during the past quarter notwithstanding current conditions in the Australian property sector and increased lending requirements by banks and other lenders. The Company's management believes that current uncertainty and complexity in the market has favoured N1's business model as a specialist services provider and has enabled the Company to better serve both the general market and its niche markets.

Cash

N1's cash position as at 31 March 2017 was \$0.686 million.

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